

AMENDED IN ASSEMBLY JANUARY 6, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 589**

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**Introduced by Assembly Member Fox**

February 20, 2013

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An act to add and repeal Article 21.7 (commencing with Section 70015) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, relating to medical education.

LEGISLATIVE COUNSEL'S DIGEST

AB 589, as amended, Fox. Medical education: underrepresented medical specialties.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

Existing law establishes various *educational* loan assumption programs, administered by the commission, under which a qualified person enrolled in an institution of postsecondary education and participating in that loan assumption program is eligible to receive a conditional warrant for loan assumption, to be redeemed upon meeting the conditions of the loan assumption agreement.

This bill would *enact the Dolores H. Fox Underrepresented Medical Specialties Act, which would* establish a loan assumption program for physicians working full time in California practicing in underrepresented specialties, as defined. This program would provide loan assumption benefits to persons who agree to work full time for 4 consecutive years in California as physicians practicing in underrepresented specialties, as specified. The program provides for a progressive assumption of the

amount of a qualifying loan over 4 consecutive years of qualifying practice, up to a total loan assumption of \$20,000. The bill would require that, in any fiscal year, the commission award no more than the number of warrants that are authorized in the Budget Act for that fiscal year for the assumption of loans pursuant to the program. This program would become inoperative on July 1, ~~2019~~ 2020, and would be repealed on January 1, ~~2020~~ 2021.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 21.7 (commencing with Section 70015)  
2 is added to Chapter 2 of Part 42 of Division 5 of Title 3 of the  
3 Education Code, to read:

4  
5 Article 21.7. Underrepresented Medical Specialties  
6

7 70015. (a) (1) *This article shall be known and may be cited*  
8 *as the “Dolores H. Fox Underrepresented Medical Specialties*  
9 *Act.”*

10 ~~(a) (1) Any~~

11 (2) Any person enrolled in an eligible institution, or any person  
12 who agrees to work full time in California practicing as a physician  
13 in an underrepresented specialty, may be eligible to enter into an  
14 agreement for loan assumption, to be redeemed pursuant to Section  
15 70015.5 upon becoming employed in California as a physician  
16 practicing in an underrepresented specialty. In order to be eligible  
17 to enter into an agreement for loan assumption, an applicant shall  
18 satisfy all of the conditions specified in subdivision (b).

19 ~~(2)~~

20 (3) As used in this article, “eligible institution” means a  
21 postsecondary institution that is determined by the Student Aid  
22 Commission to meet both of the following requirements:

23 (A) The institution is eligible to participate in state and federal  
24 financial aid programs.

25 (B) The institution maintains an accredited program of  
26 professional preparation for licensing as a physician in California.

27 ~~(3)~~

1 (4) As used in this article, “underrepresented specialty” means  
2 any medical specialty field designated by the Medical Board of  
3 California as underrepresented in California pursuant to subdivision  
4 (e).

5 (b) (1) The applicant has been admitted to, or is enrolled in, or  
6 has successfully completed, an accredited program of professional  
7 preparation for licensing as a physician in California.

8 (2) The applicant is currently enrolled, or has been admitted to  
9 a program in which he or she will be enrolled, on a full-time basis,  
10 as determined by the participating institution. The applicant shall  
11 agree to maintain satisfactory academic progress and a minimum  
12 of full-time enrollment, as defined by the participating eligible  
13 institution.

14 (3) The applicant has been judged by his or her postsecondary  
15 institution to have outstanding ability on the basis of criteria that  
16 may include, but need not be limited to, any of the following:

17 (A) Grade point average.

18 (B) Test scores.

19 (C) Faculty evaluations.

20 (D) Interviews.

21 (E) Other recommendations.

22 (4) The applicant has received, or is approved to receive, a loan  
23 under one or more of the following designated loan programs:

24 (A) The Federal Family Education Loan Program (20 U.S.C.  
25 Sec. 1071 et seq.).

26 (B) Any loan program approved by the Student Aid  
27 Commission.

28 (5) The applicant has agreed to work full time for at least four  
29 consecutive years in California as a physician practicing in ~~a~~*an*  
30 underrepresented specialty.

31 (c) No applicant who has completed fewer than 60 semester  
32 units, or the equivalent, shall be eligible under this section to  
33 participate in the loan assumption program set forth in this article.

34 (d) A person participating in the program pursuant to this section  
35 shall not enter into more than one agreement under this article.

36 (e) On or before March 1, ~~2014~~ 2015, and on or before March  
37 1 of each ~~even-numbered~~ *odd-numbered* year thereafter, the  
38 Medical Board of California shall designate one or more medical  
39 practice areas that the board deems to be specialties that are  
40 underrepresented in California as of the date of the designation,

1 and prominently post a list of these medical practice areas on its  
2 Internet Web site.

3 70015.5. The commission shall commence loan assumption  
4 payments, as specified in Section 70016, upon verification that  
5 the applicant has fulfilled all of the following:

6 (a) The applicant has become a physician licensed to practice  
7 in California.

8 (b) The applicant is working full time in California as a  
9 physician practicing in an underrepresented specialty.

10 (c) The applicant has met the requirements of the agreement  
11 and all other pertinent conditions of this article.

12 70016. The terms of a loan assumption granted under this  
13 article shall be as follows, subject to the specific terms of each  
14 agreement:

15 (a) After a program participant has completed one year of  
16 full-time employment as described in subdivision (b) of Section  
17 70015.5, the commission shall assume up to five thousand dollars  
18 (\$5,000) of the participant's outstanding liability under one or  
19 more of the designated loan programs.

20 (b) After a program participant has completed two years of  
21 full-time employment as described in subdivision (b) of Section  
22 70015.5, the commission shall assume up to an additional five  
23 thousand dollars (\$5,000) of the participant's outstanding liability  
24 under one or more of the designated loan programs, for a total loan  
25 assumption of up to ten thousand dollars (\$10,000).

26 (c) After a program participant has completed three years of  
27 full-time employment as described in subdivision (b) of Section  
28 70015.5, the commission shall assume up to an additional five  
29 thousand dollars (\$5,000) of the participant's outstanding liability  
30 under one or more of the designated loan programs, for a total loan  
31 assumption of up to fifteen thousand dollars (\$15,000).

32 (d) After a program participant has completed four years of  
33 full-time employment as described in subdivision (b) of Section  
34 70015.5, the commission shall assume up to an additional five  
35 thousand dollars (\$5,000) of the participant's outstanding liability  
36 under one or more of the designated loan programs, for a total loan  
37 assumption of up to twenty thousand dollars (\$20,000).

38 70016.5. (a) Except as provided in subdivision (b), if a program  
39 participant fails to complete a minimum of four consecutive years  
40 of full-time employment as required by this article, under the terms

1 of the agreement pursuant to paragraph (5) of subdivision (b) of  
2 Section 70015, the participant shall retain full liability for all  
3 student loan obligations remaining after the commission's  
4 assumption of loan liability for the last year of qualifying service  
5 as a physician practicing in an underrepresented specialty pursuant  
6 to Section 70016.

7 (b) Notwithstanding subdivision (a), if a program participant  
8 becomes unable to complete one of the four consecutive years of  
9 qualifying service as a physician practicing in an underrepresented  
10 specialty due to serious illness, pregnancy, or other natural causes,  
11 the term of the loan assumption agreement shall be extended for  
12 a period not to exceed one year. The commission shall make no  
13 further payments under the loan assumption agreement until the  
14 applicable work requirements as specified in Section 70015.5 ~~have~~  
15 ~~been~~ *are again* satisfied.

16 (c) If a natural disaster prevents a program participant from  
17 completing one of the required years of work due to an interruption  
18 of employment, the term of the loan assumption agreement shall  
19 be extended for the period of time equal to the period from the  
20 interruption of employment until the resumption of employment.  
21 The commission shall make no further payments under the loan  
22 assumption agreement until the applicable employment  
23 requirements specified in Section 70015.5 ~~have been~~ *are again*  
24 satisfied.

25 70017. (a) The commission shall administer this article, and  
26 shall adopt rules and regulations for that purpose. The rules and  
27 regulations shall include, but need not be limited to, provisions  
28 regarding the period of time during which an agreement shall  
29 remain valid, the reallocation of resources in light of agreements  
30 that are not used by program participants, the failure, for any  
31 reason, of a program participant to complete a minimum of four  
32 consecutive years of qualifying service as a physician practicing  
33 in an underrepresented specialty, and the development of  
34 projections for funding purposes.

35 (b) If a provision is added to this article and the commission  
36 deems it necessary to adopt a rule or regulation to implement that  
37 provision, the commission shall develop and adopt that rule or  
38 regulation no later than six months after the operative date of the  
39 statute that adds the provision.

1 70017.5. On or before January 31, ~~2015~~ 2016, and on or before  
2 each January 31 thereafter until, and including, January 31, ~~2019~~  
3 2020, the commission shall report annually to the Legislature  
4 regarding both of the following, on the basis of sex, age, and  
5 ethnicity:

6 (a) The total number of program participants and the type of  
7 program of professional preparation they are attending or have  
8 attended.

9 (b) The numbers of participants who complete one, two, three,  
10 or four years of qualifying service as a physician practicing in an  
11 underrepresented ~~specialty, respectively.~~ *specialty*.

12 70018. On or before May 1, ~~2018~~ 2019, the Legislative  
13 Analyst's Office shall submit a report to the Legislature that  
14 includes the findings and recommendations of the Legislative  
15 Analyst with respect to the efficacy of the program established by  
16 this article.

17 70018.5. Reports pursuant to Sections 70017.5 and 70018 shall  
18 be submitted pursuant to Section 9795 of the Government Code.

19 70019. In selecting applicants for participation in this program,  
20 the commission shall grant priority to applicants who, in the  
21 determination of the commission, are included in any of the  
22 following categories:

23 (a) Persons who possess a baccalaureate degree at the time of  
24 initial application.

25 (b) Persons who are enrolled in an accelerated program of  
26 professional preparation for licensing as a physician in California.

27 (c) Persons who are recipients of federally subsidized student  
28 loans or other need-based student loans.

29 70019.5. Notwithstanding any other law, in any fiscal year,  
30 the commission shall award no more than the number of warrants  
31 that are authorized in the annual Budget Act for that fiscal year  
32 for the assumption of loans pursuant to this article.

33 70019.9. This article shall become inoperative on July 1, ~~2019~~  
34 2020, and, as of January 1, ~~2020~~ 2021, is repealed, unless a later  
35 enacted statute, that becomes operative on or before January 1,  
36 ~~2020~~ 2021, deletes or extends the dates on which it becomes  
37 inoperative and is repealed.